

BOOK POST



22nd Annual Report 2009-2010



HINDUSTAN ADHESIVES LIMITED

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22ND ANNUAL REPORT 2009 - 2010

BOARD OF DIRECTORS:

Mr. L. K. Bagla
Mr. M. S. Bagla
Mr. K.C. Dwivedi
Mr. K. C. Gupta
Mr. Pawan Sharma
Mr. Suresh Ajila
Mr. U. Goenka

COMPANY SECRETARY:

Mr. S. S. Dua

AUDITORS:

M/s. Salarpuria & Partners
Chartered Accountants,
1008 Chiranjiv Tower, 43, Nehru Place,
New Delhi-110019

BANKERS:

IDBI Bank, Videocon Tower, Jhandewalan, New Delhi
Allahabad Bank, Internation Branch, Parliament Street,
New Delhi

SHARE TRANSFER & DEMAT AGENT:

Link Intime India Pvt. Ltd.
A-40 2nd Floor, Naraina Ind. Area
Phase-II, Near Batra Banquet, New Delhi-110028

REGISTERED OFFICE:

340/2-A, G. T. Road,
Shahdara, Delhi-110095

FACTORY:

29th Mile Stone, Village Achheja,
Tehsil-Dadri Distt. - Gaudam Budh Nagar
(U.P.) PIN - 203 207

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of Hindustan Adhesives Limited will be held on Thursday, the 30th September, 2010 at 10.00 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delhi-110035 to transact the following business.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2010 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
- 2 To appoint a Director in place of Sh. K.C.Gupta, who retire by rotation and being eligible offers them selves for re-appointment.
- 3 To appoint a Director in place of Sh. L.K.Bagla, who retire by rotation and being eligible offers them selves for re-appointment.
- 4 To appoint the statutory auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Suresh Ajila, Additional Director, appointed in accordance with Section 260 of the Companies Act, 1956 to hold office till the conclusion of this Annual general Meeting and in respect of whom the Company has received a notice from a member of the Company, be and is hereby appointed as a Director of the Company subject to the consent of the members in the ensuing Annual General Meeting"

6. To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mrs. Urmia Goenka, Additional Director, appointed in accordance with Section 260 of the Companies Act, 1956 to hold office till the conclusion of this Annual general Meeting and in respect of whom the Company has received a notice from a member of the Company, be and is hereby appointed as a Director of the Company subject to the consent of the members in the ensuing Annual General Meeting"

7. To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of the Section 269 and Schedule XIII of the Companies Act, 1956 and subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company and approval of Financial Institution and other statutory Authority as may required, Mr Suresh Ajila be and hereby appointed as Whole-time Director-Sales of the Company for the period of 3 years w.e.f.01.05.2010 on following terms and conditions

Salary will be Rs.28,560/- per month.

He will be entitled to following perquisites.

Basic Salary : Rs. 20860/- per month.

House Allowance : Rs. 6400/- Per month

Education Allowance: Rs. 300/- per month.

Transport Allowance: Rs.1000/-per month

Leave Travel Concession: As per rule of the Company.

Club Fees: Fees of club subject to maximum of two clubs. This will not include admission and life-membership fees.

Personal Accident Insurance: Premium not to exceed Rs.4000/per month.

Contribution to Provident Fund: As per Company rules



Gratuity: As per Company rules subject to maximum of half months salary for each completed year of service.

Encashment of leaves: As per rules of the Company at the end of tenure.

Field Expenses: Reimbursement of field expenses as per rules of Company

Bonus: As per rule of the Company

"Resolved Further that in the absence or inadequacy of profits in any financial year, remuneration payable to the Whole-time Director shall be governed by Section II of part II of schedule XIII to the Companies Act, 1956 as in force from time to time."

"Resolved Further that the Board of Directors be and is hereby authorised to alter and vary the aforesaid terms as to the remuneration (including perquisites) within the ceiling limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time."

"Resolved Further that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit."

By order of the Board of Directors of
Hindustan Adhesives Limited

(L.K.BAGLA)
Chairman

Place : Delhi
Date : 03.09.2010

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
2. Members/proxy should bring the attendance slip duly filled in for attending the meeting.
3. The registers of members and shares transfer books of the company will remain closed from 27.09.2010 to 30.09.2010 (all inclusive).
4. The Explanatory Statement pursuant to section 173(2) of The Companies Act, 1956 is annexed and forms part of this Notice.
5. Members are requested to bring their copy of Annual Report at the meeting.
6. Members seeking any further information about the accounts are requested to write to the company at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
7. Copies of relevant Director's report, Auditor's Report, Balance Sheet and Profit & Loss Account of the Company are enclosed herewith.
8. Shareholders are requested to address all communications regarding transfer/transmission of share, change of Address etc. to Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batta Banquet, New Delhi-110028.
9. Members are requested to quote their Folio number in all their correspondence with the Company Share transfer agent.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Mr. Suresh Ajlia was appointed as an additional Director on 30.04.2010. As per the provision of Section 260 of the Companies Act, 1956, term of office of additional director is upto Annual General Meeting. Re-appointment of additional director requires approval of Shareholder by way of ordinary resolution.

Board of Directors recommend for your approval.

None of the other Directors of the company is, in any way, concerned or interested in the said resolution.

ITEM NO.6

Mr. Suresh Ajlia was appointed as an additional Director on 30.04.2010. As per the provision of Section 260 of the Companies Act, 1956, term of office of additional director is upto Annual General Meeting. Re-appointment of additional director requires approval of Shareholder by way of ordinary resolution.

Board of Directors recommend for your approval.

None of the other Directors of the company is, in any way, concerned or interested in the said resolution.

ITEM NO.7

Mr. Suresh Ajlia is looking after Sales of the Company from its Bombay/Bored of Directors appointed him as Whole time Director- Sales in its Board Meeting Held on 30.04.2010. As per the provisions of Section 269 of the Companies Act, 1956 appointment of Whole time Director-Sales requires approval of Shareholder by way of an ordinary Resolution.

Board of Directors recommend for your approval

None of the other Directors of the company is, in any way, concerned or interested in the said resolution.

INSPECTION

Copy of the Memorandum and Articles of Association of the Company together with the proposed alteration shall be open for inspection of Shareholders at the Company's Registered Office on any working day up to and inclusive of the date of Annual General Meeting between 10.00 A. M. to 1.00 P.M.

PLACE : DELHI
DATE : 03.09.2010

By order of the Board of Directors of
Hindustan Adhesives Limited
(L.K. BAGLA)
Chairman



DIRECTOR'S REPORT

Dear Members,

Your Board of Directors presents this 22nd Annual Report along with audited accounts for the accounting period ended on 31st March 2010.

FINANCIAL RESULTS

Key Financial figures are as follows:

Particulars	31.03.10	(Amount in lakhs)
Total Income	5280.89	4878.22
Profit Before Interest, Depreciation & tax	661.49	664.90
Interest & Financial Charges	173.10	180.90
Depreciation	141.71	130.56
Profit / (Loss) before tax and extraordinary items	326.68	353.45
Depreciation due to change in Accounting Policy	97.08	—
Extraordinary items	—	54.33
Profit before Taxation	229.60	407.78
Less: - Provisions for Tax	—	—
Income Tax	45.00	50.00
Fringe Benefit	—	6.40
Wealth Tax	0.41	0.35
Add: - Excess Provision W/o/t	1.12	0.18
Add: - Income Tax paid for earlier year	—	2.69
Add: - Mat Credit for Current Year for Earlier Year	74.35	—
Less: - Deferred tax Assets/ (liabilities)	(35.83)	(108.87)
Net profit after tax & Extra Ordinary Items	223.83	239.65
Equity	511.63	511.63
Net worth	845.17	621.34

DIVIDEND

Yours directors regret to inform you that on account of insufficient profit in the company no dividend is recommended for the year ended 31st March 2010.

OPERATIONS

During the year under review:

The Company continues to increase the sales of its primary finished product namely Carton Sealing Tapes and other specially Adhesive Coated products by providing the customers an excellent quality product backed by dedicated customer services. In the current year the Company has been successful in selling the various innovative products like 'WsticGold' Brand carton sealing tape where it has reinforced the existing tape with four strips of high tensile filament yarn and thus giving the product an excellent strength and as well a security feature. These new products of the Company and its focus towards using self adhesive tapes as both a security feature and as well as a product branding tool have resulted in higher sales and as well better contribution to the profits of the company in the current year and the same has been well appreciated by leading multinational companies now operating in India.

The Company has not been able to sell much surplus capacity of BOPP film in the market as the focus of the Company is to eventually convert 100% of the BOPP film production into adhesive tapes. In the long term the company continues to concentrate and focus on increasing the coating capacities and better the capacity utilization by introducing new innovative adhesive coated products.



In the last financial year the company has substantially improved the total sales of the Company and it is further buoyant for the current year sales as the Indian economy is performing better than most of the global economies in the world and most Indian companies are flourishing and having impressive growth in sales thus increasing the demand for the product manufactured by the Company.

CURRENT SCENARIO

The growing sales of Carton Sealing Tapes and the acceptance of the new products developed by the Company for the Indian market and as well growth in the fast moving consumer goods sector in India for all manufactured products and services provides ample opportunity for the Company to utilize full capacities for production of Self Adhesive Tapes and be able to focus on building its Brand and Image as a quality supplier of Adhesive Coated Products in India.

The Company appreciates the initiatives of the Government of India for introduction of a uniformed and combined tax regime of GST which will help the company to be more competitive and reduce the burdens of double taxations to the customers.

The goodwill that the Company commands because of superior quality products makes it a preferred choice supplier to many new and existing multinational companies setting up facilities in India and also leading domestic companies who prefer to rely on the company for all of their requirements of packaging tapes.

The Company has also purchased land at Ultraakhand for larger expansion of the Coating facilities, for which the production has to commence latest by March 2012 so as to enable it to take advantage of the 5 years income tax holiday and other benefits available in the State.

The good results of the company has been encouraging the management to expand and explore more opportunities in the adhesive coating business in the future and thus it would be able to take advantage of the global network created by it over the last few years with consistent exports to various parts of the world for different types of adhesive coated products.

FINANCIAL RESULTS

The total income of the Company has increased substantially by about 8.35%, whereas the PBIDT has decreased by 3.52 %

The Company is confident of further improving the performance in the Current financial year and is pleased to inform you that all the accumulated losses have been now recovered and the Company is moving towards success and prosperity and would keep looking for new opportunities to expand the business in the packaging industry.

RESPONSIBILITY STATEMENT

Pursuant to Section 217(2A) of the Companies (Amendment) Act, 2000, the Director's confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent has been made so as to give a true and fair view of the State of Affairs at the end of the Financial year and the profit of the Company for the Financial year ended March 31, 2010.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing the detecting fraud and other irregularities; and
- The annual accounts have been prepared on a going concern basis.

BOARD OF DIRECTORS

Sh. K.C.Gupta and Sh. L.K.Bagla are the directors that retire by rotation at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.



Sh. Suresh Ajila and Mrs. Urmila Goenka was appointed as an additional Director w.e.f. 30.04.2010, whose term of office expire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
Mr. M.M. Haque expired during the year and the same was taken on record by the Board on 30.04.2010. The company appreciates the contribution of Mr. Haque in helping the Company to turnaround and achieve success in the Business.

AUDITORS

M/S. Salarpura & Partners, Chartered Accountants, the retiring auditors of the Company have shown their willingness to be re-appointed as statutory auditors from conclusion of this annual general meeting till the conclusion of next annual general meeting. They have furnished a certificate to the effect that the appointment, if made, will be in accordance with sub-section (1B) of section 224 of the Companies Act, 1956.

AUDIT COMMITTEE:

Audit Committee of the Company is duly constituted.

SHAREHOLDERS GRIEVANCE COMMITTEE:

Shareholders Grievances Committee of the Company is duly constituted.

FIXED DEPOSITS

During the year no deposit was accepted or renewed from the public pursuant to provisions of section 56A of the Companies Act, 1956 and rules made there under in this behalf.

STATUTORY STATEMENTS

There is no employee in the company drawing salary more than that prescribed under section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employee) Rule, 1975.
Information as required under Section 217(1) (e) read with Companies Disclosure of Particulars in the Report of Board of Directors Rules 1988 is given in the Annexure forming part of this report.

LISTING

The Shares of the Company are listed with Bombay, Delhi, Kolkata and Jaipur Stock Exchanges. The Company is pursuing with Kolkata and Jaipur Stock Exchanges for delisting of its Shares.

INDUSTRIAL RELATIONS:

The relations between management and workers continued to be cordial throughout the year. The Directors wish to place on records their sincere appreciation for the sincere efforts of all the workers and executives of the company for improving the performance of the company.

ACKNOWLEDGEMENT

The Board of Directors wish to thank their Bankers and various Government Departments for their support and co-operation extended to the company. The Directors deeply acknowledge the continued trust and confidence reposed by all the shareholders, investors, suppliers and customers of the company.

PLACE : DELHI
DATE : 03.09.2010

For and behalf of Board of Directors of
Hindustan Adhesives Limited

(L.K. BAGLA)
Chairman



ANNEXURE-1 TO THE DIRECTORS REPORT

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTOR) RULES 1988 FOR THE YEAR ENDED 31st MARCH 2010.

A. CONSERVATION OF ENERGY

The Company is extremely thankful to the UP Government State electricity board for providing good quality and reasonably consistent power supplies which have been effectively used by the Company with the help of required transformers, voltage stabilizers and UPS systems so as to now run most of the operations with the help of state electricity as against usage of Diesel Generator sets. This has helped in conservation of high cost diesel fuels and also minimize the unit cost of power required for operations. The Company has also been able to increase the speed of the machines whereby reducing the consumption of fuel per unit of production and hence has contributed to saving energy.

B. TECHNOLOGY ABSORPTION

1. R & D

The Company continues to develop exciting new products based on customer feedback and requirements of safety, security and protection. It is also now developing products for enhancement of the visual aspect of the finished product and thus making the same more attractive. The Company has recently also designed special dispensing equipment for application of the newly invented Mystic Gold branded product. It has also applied for patent rights of the Mysticgold product and the basic advantage of the same are for providing additional safety and security to customers using Carton Sealing Tapes, from the time the product is manufactured and during transit till it finally reaches the consumer.

2. BENEFITS DERIVED

The Company has been able to offer its valued customers with additional products that are innovative, developed with the expertise and experience of the Company and are based on the needs of the customer, and this has helped improve the image of the company, and retain the confidence of the customers thus enhancing the profitability of the Company.

3. FUTURE PLANS OF ACTION

The company plans to expand the capacities at Uttarakhnad and hence reduce the cost of production of the existing products whilst continuing to introduce more innovative products for the growing retail segment in the country. The Company would further like to continue to understand the imagination and needs of its customers and develop products which would be able to comply with their specific requests and give the packaging industry in India new inventions and opportunities.

Efforts made:

- Existing equipments were calibrated and latest testing equipments installed.
- Company is doing a lot of R&D efforts to introduce new products for the packaging industry and is hopeful of increasing its revenues from the same in the current year.
- ISO-9001 and ISO-14001 systems were further strengthened and this has helped the Company to produce consistent quality product of International standards.
- Clean room conditions were created in the production areas to meet the needs of the customers and to maintain the highest standards of qualities.

4. Expenditure on R&D:

	Amount in Rs.
Capital	NIL
Recurring	978,807
Total	978,807

Total R&D expenditure is 0.19% of the total turnover.

Technology absorption, adoption and innovation:**1. Efforts Made:**

(a) Existing equipments were calibrated and new testing equipments installed.

(b) Company is doing a lot of R&D efforts to introduce new products for the packaging industry and is hopeful of increasing its revenues from the same in the current year.

2. Benefits derived:

Company has been able to improve its profitability in the last financial year because of efforts to reduce costs and as well introduce some specialty products with higher value addition. Also, the confidence of the customers in the Company has increased and opened new opportunities for the future. With the implementation of both ISO-9001 and ISO-14001 systems in the Company the confidence of the customers in the Company has been maintained and allows the Company to be the preferred vendor for most companies in the Country.

C. FOREIGN EXCHANGE EARNING AND OUTGO:**1. Total Foreign exchange earned and used:**

	31.03.2010	31.03.2009
Earnings:		
Export value of FOB basis	530.31	527.64
Expenditure:		
Capital Goods (CIF)	NIL	10.37
Raw Material (CIF)	465.63	310.14
Others	11.09	18.26

For and on behalf of Board of Directors
Hindustan Adhesives Limited

PLACE : New Delhi

DATE : 03.09.2010

L.K. BAGLA
Chairman

Annexure 'A' to Director Report

Report on Corporate Governance
(Pursuant to clause 49 of the Listing Agreement)

1. Philosophy on code of Corporate Governance:

The Fundamental object of Corporate Governance is the enhancement of Shareholder value, keeping in view the interest of other stakeholders. It refers to a blend of law, regulations and voluntary practices, which enable the company to harness financial and human capital, perform efficiently and expediently, and thereby perpetuate it into generating long term association and economic value for its Shareholders, while respecting interests of other stakeholders and the society at large.

It aims to align interests of the company with its Shareholders and other key stakeholders. The principal Characteristics of Corporate Governance are-Transparency, Independence, Accountability, Responsibility, Social Responsibility

To sum, Corporate Governance focuses on equitable treatment of all shareholders and reinforces that it is "Your Company" as it belongs to you, the Shareholders.

The Chairman and Board of Directors are your fiduciaries and trustees pushing the business towards maximizing value for its shareholders.

2. Board of Directors

The Board of Directors comprises of Seven Directors. The Composition of Board of Directors is as under:-

Executive Directors	3 Nos.
Non-Executive Directors	1 Nos.
Independent	3 Nos.
	7 Nos.

During the year 2009-10, the board met 7 (Seven) times (as against the minimum requirement of four meetings) on the following dates, namely:-

30th April 2009, 23rd July, 2009, 4th September 2009, 12th Oct. 2009, 23rd October, 2009, 31st October, 2009 and 30th January 2010.

The following table gives details of Directors, attendance of Directors at the Board meeting and at the last Annual General Meeting:-

Sl. No.	Name	Category Membership	Attendance Particulars	
			Board Meeting	Last AGM
01.	Sh. Lalit Kumar Bagla	Chairman (Non-Executive Director)	7	No
02.	Sh. M. S. Bagla	Managing Director (Executive-Director)	7	Yes
03.	Sh. K.C. Dwivedi	Director-(Executive Director)	7	Yes
04.	Sh. M.M.Haque	Director (Independent)	4	No
05.	Sh Pawan Sharma	Director (Independent)	3	Yes
06.	Sh K.C.Gupta	Director (Independent)	3	No
07.	Sh Suresh Ajila	Director-(Executive Director)	NIL	No
08.	Mrs Urnila Goenka	Director (Independent)	NIL	No

Note-Mrs Urmila Goenka and Mr. Suresh Ajila was appointed as Director w.e.f 30.04.2010

None of the directors is a member in more than ten committees across all companies in which he is a director.

Particulars	Mr. M.S. Bagla Managing Director	Sh K.C. Dwivedi Executive Director
Salary and Allowance	3,000,000	553,594
Contribution to Superannuation Fund (Rs.)	—	36,000
Bonus and performance linked Incentive (Rs.)	116,514	217,793

The Details of remuneration paid to Non-Executive Director and number of Shares held are given below.

S.No.	Name	Commission Payable (Rs.)	Sitting Fees	Shares held
1	Sh.L.K.Bagla	NIL	NIL	NIL
2	Sh. M.M.Haque	NIL	3,000.00	NIL
3	Sh.Pawan Sharma	NIL	NIL	NIL
4	Sh.K.C.Gupta.	NIL	4,000.00	NIL

3. Audit Committee

The working of the Audit Committee of your Company and its composition and other details are given below:

During the financial year 2009-10, meetings of the Audit Committee were held 5 times i.e. on 30th April 2009, 23rd July, 2009, 4th September 2009, 31st October, 2009 and 30th January, 2010

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. Pawan Sharma	5	1
Sh. M.M. Haque	5	5
Sh. K.C. Gupta	5	5

The constitution of the Audit committee also meets with the requirements of section 292A of the Companies Act, 1956 as introduced by the companies (Amendment) Act, 2000.

The terms of reference specified by the Board to the Audit Committee are in accordance with clause 49 of the listing Agreement. They are as follow:

- Oversight of the company's financial reporting process and disclosure of its financial information.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of Internal Audit function.
- Discussion with internal auditors any significant findings and follow up thereon.
- Discussions with external auditors before the audit commences, the nature and scope of audit and also to hold post audit discussions to ascertain and area of concern.
- Reviewing the Company's various financial and risk management policies.

4. Shareholders Grievance Committee

The working of the Shareholder Grievance Committee of your Company and its composition and other details are given below:

During the financial year 2009-10, meetings of the Shareholder Grievance Committee were held 5 times i.e. 30th April 2009, 23rd July, 2009, 4th September 2009, 31st October, 2009 and 30th January, 2010.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. M.S. Bagla	5	5
Sh. Kalish Chaud Dwivedi	5	5

5. Remuneration Committee

The working of the Remuneration Committee of your Company and its composition and other details are given below:

During the financial year 2009-10, meetings of the Remuneration Committee was not held

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. M.M. Haque	NIL	NIL
Sh. Pawan Sharma	NIL	NIL
Sh. K.C. Gupta	NIL	NIL

6. General Body Meeting

Detail of location, time and date of last three AGMs are given below:-

Financial year	Date	Time	Place
2006-2007	29.09.2007	10.00 A.M.	Ashok Avenue, Main Chattarpur Road, Asola Fatehpur Beri, New Delhi-110074
2007-2008	29.09.2008	10.00 A.M.	Same as Above
2008-2009	29.09.2009	10.00 A.M.	Same as Above

Special Resolutions passed at the last 3 (three) AGMs:

Financial year	Items
2006-2007	NONE
2007-2008	Delisting of Shares from Kolkata Stock Exchange
2008-2009	Resolution under section 314 of Companies Act, 1956

7. Disclosures

Disclosures on materially significant related party transaction i.e. transactions of the company of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential Conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of Company.

8. GENERAL SHAREHOLDER INFORMATION

8.1 Annual General Meeting

Date and Time	: 30th Sep. 2010 at 10.00 A.M.
Venue	: Prakash Place 13, Wazirpur Press Area, Wazirpur, Delhi-110035

8.2 Financial Calendar (2010-11)

Annual General Meeting For the next year ending 31st March 2011	: Before 30th Sept., 2011
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8.3 Book Closure date

: 27.09.10 to 30.09.10

8.4 Dividend Payment date

: not applicable



8.5 Listing of Equity Shares on : DELHI, CALCUTTA
Stock Exchange at : MUMBAI AND JAIPUR

8.6 Stock Code :
(i) ISIN Numbers : Equity Shares (INE 074 C01013)

8.7 Registrar and Share Transfer Agent : Link Intime India Pvt. Ltd.
A-40 2nd Floor, Naraina Ind. Area
Phase-II, Near Batra Banquets, New Delhi-110028

8.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of 30(thirty) days from the date of receipt provided the documents are complete in all respects. Board of Directors has authorised Registrar to approve all share transfers. Now, since the requirement of issuing option letter no more exist. The Registrar on receipt of Share transfer request, after confirming all details transfer the shares as per law and directly dispatches the same to the transferee.

8.9 Distribution of Share holding Pattern as on 31st March 2010

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign Promoters if any)	2,813,729	55%
Non Promoter's Holding	2,302,571	45%
TOTAL	5,116,300	100%

Distribution of Share holding as on 31st March 2010

No of Equity Shares Held	No of Shareholder	% of Shareholder	Number of Shares	% of Shareholding
1-250	6,335	91.151	6,425,350	12.559
251-500	370	5.324	1,484,710	2.902
501-1000	129	1.856	1,034,080	2.021
1001-2000	51	.734	754,860	1.475
2001-3000	12	.173	308,140	.602
3001-4000	11	.158	381,350	.745
4001-5000	10	.144	452,760	.885
5001-10000	11	.158	748,430	1.463
10001 and above	21	.302	39,573,320	77.348
Total	6,950	100	5,116,300	100

8.10 Plant Location : 29th Mile Stone, Village-Achheja,
Tehsil-Dadri, Dist.- Gautambudh Nager (U.P.) Pin-203 207

8.11 Address for Correspondence : Link Intime India Pvt. Ltd
Share Transfer and Demat : A-40 2nd Floor, Naraina Ind. Area
Phase-II, Near Batra Banquets
New Delhi-110028

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.
Any query on Annual Report : Secretarial Department
Hindustan Adhesives Ltd.
340/2-A, G. T. Road, Shahdara, Delhi-110095



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Hindustan Adhesives Ltd.

We have examined the compliance of the conditions of corporate governance by Hindustan Adhesives Limited for the year ended 31st March, 2010 as stipulated in clause 49 of the listing Agreement of the said company with stock exchange in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance.

It is neither an audit nor an expression of the opinion on the financial statements of company.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the management, we state that to the best of our knowledge and belief, the company has complied in all material respects with the conditions of Corporate Governance stipulated in clause 49 of the mentioned listed agreements.

Place : New Delhi
Dated : 03.09.2010

For SALARPURIA & PARTNERS
Firm Registration No.-302113E
Chartered Accountants

(Kamal Kumar Gupta)
Partner
M. No.- 89190

1. We have audited the attached Sheet of M/s Hindustan Adhesives Limited as on 31st March, 2010, the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended, issued by the Central Government of India under sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph (4) & (5) of the said Order.
Attention of members is drawn on following:
 - (a) Note No B-2 of Notes on Accounts appearing in Schedule 'U' regarding the change in accounting policy for providing depreciation on the assets of the Company. During the year, the Company has changed its depreciation policy on all of its assets except plant & machinery and electric installation, which were hitherto, depreciated on straight line basis are now depreciated at written down value method.
 - (b) Non identification of dues to Micro/ Small Scale Industrial Undertakings (Refer Note No.8 of Notes on Accounts appearing in Schedule 'U')
4. Further to our comments in Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) Subject to our comments above, in our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read together with the Notes appearing in Schedule 'V' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (c) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. We further report that had there been no change in the accounting policy as mentioned by us in paragraph 3 above the profit for the have been Rs.331.99 Lac (As against the reported figure of Rs.229.60 Lac) and the accumulated balance of profit & Loss account would have been Rs.198.33 Lac (As against the reported figure of Rs.95.95 Lac).

Place : 1008, Chitrang Tower,
43, Nehru Place, New Delhi-110 019
Date : 03.09.2010

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For SALARPURIA & PARTNERS
Firm Registration No. 302113E
Chartered Accountants
(KAMAL KUMAR GUPTA)
Partner
M. No. 89190

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- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management at reasonable intervals has physically verified the fixed assets, no material discrepancies were noticed on such verification.
- (ii) (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts;
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered under the register maintained U/s. 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has taken unsecured loans from 3 (Three) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved in such loans during the year aggregates to Rs.112.86 Lacs and the closing balance outstanding as on 31st March 2010 is Rs. 14.52 Lacs.
 - (b) In our opinion the terms and conditions of such loans taken by the company are *prima facie* not prejudicial to the interests of the company
 - (c) There is no pre-determined schedule for repayment of unsecured loans.
 - (d) As there is no schedule for repayment of unsecured loans taken by the company, therefore, we are not in a position to comment on steps, if any, taken by the company for repayment of the same.
 - (e) The company has not granted any loans to companies, firms or other parties covered under the register maintained U/s. 301 of the Companies Act, 1956, except temporary advances which are recovered as stipulated.
- (iv) In our opinion and according to the information and explanations given to us the company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods. There is no continuing failure or weakness in internal control system.
- (v) According to the information and explanation given to us, the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 has been so entered.
In our opinion and according to the information & explanation given to us, there were no transactions made in pursuance of contracts or arrangements entered in the register mentioned under section 301 of the Companies Act exceeding the value of Rs. Five lacs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits for which the provisions for compliance U/s.58 and 58AA or any other relevant provisions of the Companies Act, 1956 applies.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records for the company U/s.209 (1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authorities.

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(b) Following disputed dues of Sales Tax and Excise Duty/Cess have not been deposited:-

Sl. No.	Name of the Statute/ Nature of Dues	Amount (Rs.)	Period to which Amount Relates	Authority where dispute is pending
1.	The Central Sales Tax Act, 1956 (Central Sales Tax)	2,14,012/- 14,885/- 15,000/- 31,58,649/- 480/-	2003-04 2005-06 2006-07 2007-08 1999-00	High Court at Allahabad Officer Deputy Commissioner, Trade Tax, Noida do do (Sales Tax Assessment) V T O - Delhi
2.	Sales Tax Officer- Delhi	3,337/-	2003-04	Sales Tax Officer, VAT Delhi
3.	The Central Excise Act, 1944 (Penalty for wrong MODVAT Credit)	1,95,000/-	March, 1998	High Court.

- (x) The Company has been registered for a period of more than five years, however, its accumulated losses at the end of the financial year are not more than fifty percent of its net worth and the Company has not incurred cash loss during the year under report and also in the financial year immediately preceding the financial year under report.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions and banks during.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit Fund, Nidhi /Mutual Benefit Fund/Societies are not applicable to this company.
- (xiv) The company is not dealing or trading in business of securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has given a corporate guarantee of Rs.14.63 crore given to Bank against loan taken by Bagla Polifilms Pvt. Ltd., for which approval from Central Government under section 295 of Companies Act, 1956 dated 19-03-2010 has been obtained by the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans obtained in earlier years and continued to remain outstanding during the financial year under report are applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of financial statements of the company and after placing reliance on the reasonable assumption made by the company for the classification of long term and short term use of funds we are of the opinion that, prima-facie, long term funds have not been utilised for short term purposes and vice-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained U/s.301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures since inception.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year under report.
- Place : 1008, Chiranjiv Tower,
43, Nehru Place, New Delhi-110 019
Date : 03.09.2010

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BALANCE SHEET AS ON 31st MARCH, 2010

	SCHEDULES	AS AT 31st March, 2010 (Rs.)	AS AT 31st March, 2009 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS	A	51,163,000	51,163,000
Share Capital	B	33,354,247	23,759,500
Reserves and Surplus		84,517,247	74,922,500
LOAN FUNDS	C	115,598,032	117,547,901
Secured Loans	D	1,686,072	39,225,301
Unsecured Loans		117,284,104	156,773,202
DEFERRED TAX LIABILITIES		16,360,515	12,777,575
		218,161,866	244,473,277
APPLICATION OF FUNDS			
FIXED ASSETS	E	290,864,114	277,521,782
Gross Block		177,155,635	
Less Depreciation		113,708,479	124,216,576
Net Block			
INVESTMENTS	F		
CURRENT ASSETS, LOANS AND ADVANCES	G	66,348,899	52,869,891
Inventories	H	79,139,868	70,718,899
Sundry Debtors	I	4,060,995	4,026,027
Cash and Bank Balances	J	27,730,957	25,938,474
Loans and Advances	K	6,904,207	6,904,207
Other Current Assets		184,184,927	160,457,498
Less: Current Liabilities and Provisions	L	79,731,539	52,989,325
NET CURRENT ASSETS		104,453,388	107,468,173
PROFIT AND LOSS ACCOUNT			
(Balance Dr. as per account annexed)		218,161,866	12,788,528
			244,473,277

Accounting Policies & Notes on Account

The schedules referred here-in above form an integral part of Balance Sheet

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)
Partner

M. No.- 89190

Place : New Delhi

Date : 03.09.2010

(S.S. DUA)
Co.Secretary(L.K. BAGLA)
Chairman(M.S. BAGLA)
Mg. Director

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

SCHEDULES	YEAR ENDED 31st March, 2010 (Rs.)	YEAR ENDED 31st March, 2009 (Rs.)
INCOME		
Gross Sales (Refer Note No.4 in Schedule U)	559,130,453	530,259,705
Excise Duty	31,041,529	42,850,727
Net Sales	528,088,924	487,408,978
Other Income	37,189	413,000
Increase / (Decrease) in Stocks	7,924,504	2,026,526
	536,050,617	489,848,504
EXPENDITURE		
Materials Consumed & Manufacturing Expenses	406,673,707	366,185,338
Employees Remuneration and Benefits	27,587,680	23,209,510
Administrative and Other Expenses	20,368,733	19,396,552
Sales and Distribution Expenses	17,271,183	14,566,827
	471,901,303	423,358,027
OPERATING PROFIT	64,149,314	66,490,477
Interest and Financial Overheads	17,309,828	18,089,703
Depreciation	14,171,064	13,056,052
	31,480,892	31,145,755
PROFIT BEFORE CHANGE IN ACCOUNTING POLICY, EXTRA ORDINARY ITEMS AND TAXATION	32,668,422	35,344,722
Depreciation due to change in accounting policy	9,708,192	5,433,412
Extraordinary items - (Refer Note.3)	—	—
PROFIT AFTER CHANGE IN ACCOUNTING POLICY, EXTRA ORDINARY ITEMS AND TAXATION	22,960,230	40,778,134
Less : Provision for fring Benefit Tax	—	(640,000)
Add : Excess Provision for Taxation in earlier writtern back	112,421	18098
Less : Provision for Wealth Tax	(41,441)	(35,000)
Less : Provision for Income Tax for current year	(4,500,000)	(5,000,000)
Less : Income Tax for Earlier Years	—	(269,450)
Add : Mat Credit for Current Year	7,435,005	—
Less : Mat Credit for Current Year for earlier year	(3,582,940)	(10,886,613)
Less : Adjustment for Deferred Tax	—	—
PROFIT AFTER TAXATION	22,383,275	23,965,159
Balance B/F From Previous Year	(12,788,528)	(36,753,687)
Balance Carried to Balance Sheet	9,594,747	(12,788,528)
Accounting Policies & Notes on Account		
The schedules referred here-in above form an integral part of Profit & Loss Account		

As per our report of even date attached

For **SALARPURIA & PARTNERS**

Firm Registration No.-302113E

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No. - 89190

Place : New Delhi

Date : 03.03.2010

(S.S. DUA)
Co.Secretary(L.K. BAGLA)
Chairman(M.S. BAGLA)
Mg. Director

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SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	AS AT 31st March, 2010 (Rs.)	AS AT 31st March, 2009 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
70,00,000 (70,00,000) Equity Share of Rs. 10/- each	70,000,000	70,000,000
ISSUED, SUBSCRIBED AND PAID UP		
51,16,300 Equity share of Rs.10/- each (Out of Which: 1,029,000 Equity share of Rs.10/- each Fully paid up, issued as Bonus Share by Capitalisation of General Reserve)	51,163,000	51,163,000
SCHEDULE 'B' - RESERVES AND SURPLUS		
Share Premium	21,259,500	21,259,500
(Balance Brought Forward)		
Investment Allowance Utilization Reserve	2,500,000	2,500,000
(Balance Brought Forward)		
Profit & Loss Account	9,594,747	—
(Balance as per account annexed)	33,354,247	23,759,500.00
SCHEDULE 'C' - SECURED LOANS		
Working Capital Term Loans from Banks		
IDBI	17,835,016	23,856,381
Allahabad Bank	10,493,806	15,156,835
	28,328,822	39,013,216
Cash Credits from Banks		
Allahabad Bank	23,934,360	18,811,612
IDBI	58,191,037	57,514,226
	82,125,397	76,325,838
Auto Loans		
HDFC Bank	4,204,610	626,363
ICICI Bank Ltd.	939,203	1,582,484
	5,143,813	2,208,847
Grand Total	115,598,032	117,547,901
NOTES :		
(1) Working Capital Term Loans and Cash Credit Loans are secured against hypothecation of entire stocks of Raw Materials, Work in Progress, Finished Goods, Stores & Spares, Book-Debts & First Charge on Fixed Assets of the Company and is further guaranteed by the Directors of the Company and Member of Bagla Family.		
(2) Auto Loans are secured by way of hypothecation of vehicles financed by the Banks.		
SCHEDULE 'D' - UNSECURED LOAN		
From Bodies Corporate	234,493	28,776,000
From Others (Including Deferred Credit)	—	1,953,705
From Directors	1,451,579	8,495,596
	1,686,072	39,225,301

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(Rupees)

SCHEDULE - E : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 31.03.2009	Addition	Deletions	As on 31.03.2010	As on 31.03.2009	For the Year	Adjustment (See note Below) @	Adjustment on sale of assets	Up to 31.03.2010	As on 31.3.2010	As on 31.3.2009
LAND (FREE HOLD)	2,664,804	—	—	2,664,804	—	—	—	—	—	2,664,804	2,664,804
BUILDING	28,137,380	—	—	28,137,380	13,498,532	672,545	7,913,403	—	22,084,480	6,052,900	14,638,848
PLANT & MACHINERY	222,078,937	4,696,963	—	226,775,900	130,644,652	11,003,902	—	—	141,648,554	85,127,346	91,434,285
ELECTRIC INSTALLATION	10,605,721	783,734	—	11,389,455	3,331,243	464,604	—	—	3,795,847	7,593,608	7,274,478
FURNITURE & FIXTURE	1,842,531	2,375,363	—	4,217,894	1,286,034	246,934	96,035	—	1,629,003	2,588,891	556,497
AIR CONDITIONER	1,693,995	131,642	—	1,825,637	465,709	142,134	339,596	—	947,429	878,208	1,228,286
OFFICE EQUIPMENT	847,733	65,298	—	913,031	432,578	44,904	160,338	—	637,820	275,211	415,155
VEHICLES											
CAR'S	7,442,198	5,017,120	—	12,459,318	2,391,683	1,354,650	780,688	—	4,527,021	7,932,297	5,050,515
DELIVERY TRUCKS	899,067	—	—	899,067	647,848	30,292	147,669	—	825,809	73,258	251,219
SCOOTERS	182,291	91,674	—	273,965	110,539	27,034	19,073	—	156,646	117,319	71,752
CYCLE'S	54,090	—	49,000	5,090	30,593	2,533	791	28,827	5,090	—	23,497
COMPUTERS	1,073,035	229,538	—	1,302,573	465,795	181,532	250,610	—	897,937	404,436	607,240
TOTAL	277,521,782 (271,642,523)	13,391,332 (9,184,649)	49,000 (3,305,390)	290,864,114 (277,521,782)	153,305,206 (143,330,021)	14,171,064 (13,056,052)	9,708,192 —	28,827 (3,080,867)	177,155,635 (153,305,206)	113708479 (124,216,576)	124,216,576 (128,312,502)

Note : Adjustment on account of changing in method of charging depreciation (refer No. B-2 in Schedule U)

PARTICULARS

AS AT
31st March, 2010 (Rs.)AS AT
31st March, 2009 (Rs.)

SCHEDULE 'F' - INVESTMENTS

(Long Term - Trade)

Unquoted

10,000 (10,000) Equity share of Rs 10/-each
Fully Paid up of Benares State Bank Limited

100,000

100,000

Less : Provision for diminution in value

100,000

100,000

SCHEDULE 'G' - INVENTORIES

(As taken, valued and certified by the management)

Raw Materials

Traded Goods

Finished Goods*

Work in Progress

Stores, Spares, Fuel and Packing Materials

24,042,107

3,944,098

14,780,178

13,058,884

10,523,632

66,348,899

21,635,109

—

12227708

11,630,948

7,376,126

52,869,891

* Finish Goods includes Goods in Transit Rs. 288,986/- (156,348)

SCHEDULE 'H' - SUNDRY DEBTORS

(Unsecured, considered good Unless otherwise stated)

Debts Due Over Six month

Considered Good

Considered doubtful

Less: Provision for doubtful debts

Other Debts

Considered Good

6,191,170

3,493,047

—

—

69,455,651

79,139,868

8,664,508

—

—

—

62,054,391

70,718,899

SCHEDULE 'I' - CASH AND BANK BALANCES

Cash in Hand

(As per books and certified)

Balances with Scheduled Banks in:

Current Accounts

Fixed Deposit Accounts

(Pledged Against Margin money)

522,200

1,317,431

2,221,364

4,060,995

510,549

2,901,891

613,587

4,026,027



PARTICULARS	AS AT 31st March, 2010 (Rs.)	AS AT 31st March, 2009 (Rs.)
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SCHEDULE 'J' - LOANS AND ADVANCES

(Unsecured, considered good)

Advances recoverable in cash or in kind or for value to be received	4,697,594	11,367,381
Interest Accrued but not due on fixed deposits	6,527	22,881
Balances with Excise Department	8,741	1,137,641
Income Tax Payment Income Tax Deducted at Source	19,817,678	9,948,140
Security Deposits	3,200,417	3,462,431
	<u>27,730,957</u>	<u>25,938,474</u>

SCHEDULE 'K' - OTHER CURRENT ASSETS

Discarded Fixed Assets held for Sales

	6,904,207	6,904,207
	<u>6,904,207</u>	<u>6,904,207</u>

SCHEDULE 'L' - CURRENT LIABILITIES AND PROVISIONS**CURRENT LIABILITIES**

Sundry Creditors (Refer Note No.9 & 10 in Schedule U)

Due to Customers	47,199,957	34,517,104
Other Liabilities	4,416,913	1,550,722
	8,766,592	3,148,861
	<u>60,383,462</u>	<u>39,216,687</u>

PROVISIONS

For Gratuity	4,650,789	3,597,357
For Leave Encashment	315,847	300,281
For Fringe Benefit Tax	640,000	640,000
For Wealth Tax	41,441	35,000
For Income Tax	13,700,000	9,200,000
	<u>19,348,077</u>	<u>13,772,638</u>
	<u>79,731,539</u>	<u>52,989,325</u>



PARTICULARS	YEAR ENDED 31st March, 2010 (Rs.)	YEAR ENDED 31st March, 2009 (Rs.)
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SCHEDULE 'M' - SALES

[Sales including Interdivisional Transfer (Net of Returns)]

Domestic Sales	499,181,262	471,905,827
Trading Goods	5,287,010	—
Export Sales	54,049,779	53,828,169
Scrap Sales	558,518,051	525,733,996
Foreign Exchange Fluctuation for Sales	1,353,311	1,781,506
	(740,909)	2,744,203
	<u>559,130,453</u>	<u>530,259,705</u>

SCHEDULE 'N' - OTHER INCOME

Claims Received	22,987	1,642
Miscellaneous Receipts	6,106	126,343
Sundry Balances Written back (Net)	8,096	285,015
	<u>37,189</u>	<u>413,000</u>

SCHEDULE 'O' - INCREASE / (DECREASE) IN STOCKS**Opening Stocks:**

Work in Progress	11,630,948	10,647,445
Finished Goods Manufactured	12,227,708	11,184,685
	<u>23,858,656</u>	<u>21,832,130</u>

Closing Stocks:

Work in Progress	13,058,885	11,630,948
Finished Goods Manufactured	14,780,177	12,227,708
Finish Goods Traded	3,944,098	—
	<u>31,783,160</u>	<u>23,858,656</u>

INCREASE / (DECREASE) IN STOCKS

	<u>7,924,504</u>	<u>2,026,526</u>
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PARTICULARS	YEAR ENDED 31st March, 2010 (Rs.)	YEAR ENDED 31st March, 2009 (Rs.)
SCHEDULE 'P' - MATERIALS CONSUMED & MANUFACTURING EXPENSES		
Raw Materials Consumed		
Opening Stocks	21,635,109	15,511,968
Add: Purchases	331,466,737	313,702,769
	353,101,846	329,214,737
Less : Closing Stocks	24,042,107	21,635,109
	329,059,739	307,579,628
Cost of Trading Goods	8,214,629	-
Foreign Exchange Fluctuation for Purchases	(2,222,528)	1,588,628
Power & Fuel Consumed	39,483,064	29,054,490
Store, Spares & Tools Consumed	7,675,269	6,280,109
Packing Material Expenses	16,650,091	15,257,431
Carriage Inward	209,606	140,882
Repairs and Maintenance:		
Building and Shed	289,680	921,330
Plant and Machinery	6,287,676	4,523,928
Others	1,026,480	838,912
Total	406,673,707	366,185,338

SCHEDULE 'Q' - EMPLOYEE'S REMUNERATION AND BENEFITS

Salaries, Wages and other Allowances	21,541,458	18,160,762
Contribution to Provident and other Allied Funds	1,709,191	1,532,230
Staff Welfare and Benefits	3,125,463	2,414,193
Gratuity	1,097,318	965,137
Leave Encashment	114,250	137,188
	27,587,680	23,209,510

SCHEDULE 'R' - ADMINISTRATIVE AND OTHER OVERHEADS

Rent, Rates and Taxes	512,978	869,109
Printing and Stationery	774,156	568,874
Traveling and Conveyance	4,792,644	5,375,951
Vehicle Running Maintenance	967,533	926,964
Postage & Telephone charges	2,075,290	1,805,162
Electricity and Water Overheads	448,634	345,372
Data processing Expenses	311,386	260,251

PARTICULARS	YEAR ENDED 31st March, 2010 (Rs.)	YEAR ENDED 31st March, 2009 (Rs.)
SCHEDULE 'R' - ADMINISTRATIVE AND OTHER OVERHEADS (CONTN.....)		
Legal and Professional Charges	1,188,369	1,597,837
Director's Remuneration	3,670,110	3,283,596
Advertisement Expenses	45,610	42,178
Auditor's Remuneration :		
For Audit Fees	50,000	35,000
For Tax Audit Fees	15,000	12,500
For Other Matters	43,720	18,850
	108,720	
Fees & Subscription	272,084	302,946
Repairs and Maintenance (others)	675,769	355,971
Insurance Charges	372,881	402,774
General Expenses	4,137,396	3,136,584
Previous year adjustment (Net)	—	12,109
Loss on Sale of Fixed Assets sold / discarded (Net)	15,173	44,524
	20,368,733	19,396,552
SCHEDULE 'S' - SALES AND DISTRIBUTION OVERHEADS		
Advertisement & Publicity	232,320	280,271
Freight and Carriage Outward	10,230,999	8,877,121
Discount, Rebates and Claims	2,747,220	1,737,272
Brokerage & Commission	1,407,260	1,733,530
Business Promotion Expenses	1,979,566	1,617,674
Turnover and Sales Tax	518,063	230,339
Exhibition & Conference Expenses	155,755	90,420
	17,271,183	14,566,627
SCHEDULE 'T' - INTEREST AND FINANCIAL CHARGES		
Interest to Banks	13,613,240	14,285,887
Interest to Others	1,935,452	1,691,928
Bank Commission and Charges	1,813,671	2,252,356
	17,362,363	18,230,171
Less: Interest Received	52,535	140,468
	17,309,828	18,089,703



SCHEDULE 'U' OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956, and applicable Accounting Standards except otherwise stated.

b) USE OF ESTIMATES

The preparation of financial statements in under generally accepted accounting principle (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses during the year. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

II. RECOGNITION OF INCOME AND EXPENDITURE

- All revenues costs, assets and liabilities are accounted for on accrual basis except excise duty payable on uncleared finished goods, which is accounted as and when they fall due by clearance of goods from factory.
- Sales are inclusive of excise duty, interdivisional transfers and exchange gain/loss on export sales. Interdivisional transfers are recorded at estimated net realizable value.
- Realization from Scrap of Adhesives Tape Division is accounted for on cash basis.
- With a view to show the value of output (inclusive of captive consumption) of the Company as a whole, interdivisional transfers of BOPP Film consumed in manufacturing of Adhesive Tapes are reflected in the Profit & Loss Account at the value at which the transfer was affected in the accounts.

III. INVENTORIES

Raw Materials, stores and spares are valued at cost. Work-in-progress and finished goods are valued at lower of cost or net realizable value.

The basis of determining cost for various categories of inventories are as follows:

Stores & Spares, Raw Material & Packing Materials	First in first out
Work-in-progress & Finished Goods	Material Cost plus appropriate Attributable Production overheads, Duties as Applicable
Rejected Materials	At estimated realizable Value

IV. INVESTMENTS

Long Term Investments are stated at cost. Diminution of permanent nature in the value of investments has been provided for.

V. FIXED ASSETS & DEPRECIATION

Fixed assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of freight, duties and other incidental expenses, till the assets are put to use.

Depreciation has been provided computers at the rates and basis prescribed in schedule XIV to the Companies Act, 1956.

- On Plant & Machinery and Electric Installations, on straight-line method
- On Building, Office Equipments, Air conditioners, furniture and fixtures and vehicles on written down value method.

VI. RESEARCH & DEVELOPMENT EXPENSES

Research & Development expenses of revenue nature are charged to revenue when incurred. Expenditure of capital nature is capitalized and depreciation is charged thereon as per the company's policy.

VII. FOREIGN CURRENCY TRANSACTIONS

Foreign currency loans/delivered credit availed to acquire fixed assets are accounted for at the exchange rates prevailing on the dates of disbursement. Transactions in foreign currency are recorded at the exchange rate prevailing on the transaction date. The assets & liabilities outstanding at the close of the year are translated into Indian Currency at the exchange rate prevailing on the Balance Sheet date and/or forward cover rate.

The differences arising out of conversion of loans for fixed assets are adjusted in the value of respective fixed assets and in respect of other liabilities and assets the foreign exchange fluctuation is debited / credited to the Profit & Loss Account.



VIII. EXCISE DUTY

Liability for excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

IX. EXPENDITURE DURING CONSTRUCTION PERIOD

All expenses including interest incurred up to the date of installation are capitalized together with the other direct costs.

X. EMPLOYEE BENEFITS:

(i) Defined Contribution Plans

The Group's Contributions to the Provident Fund and Superannuation Fund are charged to the profit and loss accounts.

(ii) Defined Benefit plan/ long term Compensated Absences:

The Group's liability towards gratuity and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains or losses determined by the actuary are recognized in the profit and loss account as income or expense.

XI. CONTINGENT LIABILITIES

Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the profit and loss account. Contingent gains are recognized. Provision are recognized as liability only when they can be measured by using a substantial of which is expected to result in as outflow of resources embodying economic benefits. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimated.

XII. TAXES ON INCOME

Tax expenses for the year comprises of current tax, deferred tax and fringe benefit tax.

- Current tax is determined on the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws in accordance with the provisions of Indian Income Tax Act, 1961.
- Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date.
- Fringe Benefit tax is provided in accordance with the provisions of Income Tax Act, 1961.

XIII. IMPAIRMENT OF ASSETS

Impairment of assets is assessed at Balance Sheet date and if any indicators of impairment exist, the same is assessed and provided for.

B. NOTES ON ACCOUNTS

Contingent liabilities not provided for in respect of:

- Bank Guarantees given by the company Rs. 0.90 Lacs (Previous year Rs. 0.90)
 - Foreign Letter of Credit opened with IDBI Bank for import of raw material etc. worth Rs. 17.62 Lacs (Previous year Rs.59.91) and procurement of raw material from domestic suppliers NIL. (Previous year Rs. Nil)
 - Sales Tax demand pending appeals Rs. 34.40 Lacs (Previous year Rs. 30.70 Lacs)
 - Excise Duty demand pending appeals at High Court Rs. 1.95 Lacs. (Previous year at Rs. 1.95 Lacs)
2. The Company has changed its accounting policy with regard to charging depreciation on Building, Office Equipments, Air conditioners, furniture & fixtures and vehicles on written down value method, which were hitherto, depreciated on straight line basis. As a result of the change the depreciation for the year is higher by Rs. 1,02,38,411/- and profit for the year is lower by Rs. 1,02,38,411/-
3. The amount outstanding on loans of Banaras State Bank (merged with Bank of Baroda) was settled and repaid in full as per negotiation with them during the financial year 2008-2009. As a result Rs. 54.33 Lacs being gain on settlement in accordance with company's consistent practice, no provision has been made for excise duty aggregating Rs. 7.78 Lacs (Previous year Rs. 4.86 Lacs) on finished goods lying at the factory premises, which are accounted for on clearance thereof. However, this will neither affect the Profit / loss nor net current assets for the year.
5. Sales of finished goods and raw material consumed include Rs. 10,3651,827/- on account of interdivisional Transfer (Previous year . 9,48,06,037/-).



6. Accrued benefits of duty free imports available to the company in form of transferable advance import licenses for completed export obligations amounting to Rs. 1.85 Lacs, which have been utilized / availed in subsequent financial year, have not been accounted for.
7. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmations and adjustments, if any. The management is hopeful of recovering the debit balances, which are outstanding since a long.
8. Working Capital Term loans due (Principal amount) within one year are 103.08 Lacs (Previous year 103.08 Lacs)
9. Dues to Small Scale Industrial Undertaking could not be identified because necessary information from the suppliers are yet to be received, in absence of which amount outstanding as on Balance Sheet date and names of parties could not be given.
10. Additionally, the company is in the process of identifying Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the company to ascertain whether payment to such enterprises has been done within 45 days from date of acceptance of supply of goods or services rendered by such enterprise and to make requisite disclosure.
11. Loans & Advances include due from officers Rs.1,63,132 (Previous year Rs. NIL). Maximum amount outstanding at any time during the year Rs. 1,63,132 (Previous year Rs. NIL).
12. Travelling & Conveyance includes Director's Travelling of Rs. 19,89,799/-.
13. Amount paid to Directors as remuneration:

A. Managing Director	Full Time	
	2009-2010	2008-2009
a) No. of Persons	One	(One)
b) Salary & Allowances	30,00,000	27,30,000
c) Perquisites	1,16,514	NIL
B. Whole Time Director	Full Time	
a) No. of Persons	One	(One)
b) Salary & Allowances	5,53,594	5,53,596
c) Contribution to P.F. & other funds & Perquisites	3,13,793	1,32,025

The above remuneration is subject to approval of member in the Annual General Meeting.

14. Earnings per share (EPS):	2009-2010	2008-2009
Profit/(Loss) after Tax (Rs. in Lacs)	223.83	239.65
Average number of Equity Shares (Face Value of Rs.10/-)	51,16,300	51,16,300
Basic and Diluted EPS (in Rupees per Share)	4.37	4.68

15. Deferred Tax Assets/Liabilities has been created on following:

Sl.No. Particulars	2009-10	For the year	2008-09
1 Depreciation	(18,324,527)	5,205,377	(2,35,29,904)
2 On Provision for Gratuity	1,580,803	358,061	12,22,742
3 Unabsorbed Losses	NIL	(9,128,425)	91,28,425
4 On Adjustments of Sec. 43B	383,208	17,952	4,01,160
Net Deferred Tax Assets(Liabilities)	(16,360,516)	(3,582,940)	(1,27,77,575)



16. Details of Employee Benefits as required by the Accounting Standard -15 "Employee Benefits" are as follows:

1 Defined contribution Plans

PARTICULARS	2009-10	2008-2009
The Group has recognized the following amounts in the profit and loss account: — Contribution to Provident Fund and Family Pension Fund	12,20,017/-	10,52,368/-

2 Defined Benefit Plan (unfunded)

(a) A General description of the employees Benefit Plan:

The Company has obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

(b) Details of defined benefit plan as per Actuarial Valuation are as follows:

1. Components of employer expenses

Change in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Current Service Cost	3,82,746	3,25,082	37,038	36,374
Interest Cost	2,87,000	1,86,582	23,957	17,268
Actuarial Losses(Gains)	4,22,627	4,53,473	52,235	75,834
Total Expenses recognized in the P & L A/c	10,92,373	9,65,137	1,13,230	1,29,476

II. Net Asset/ Liability) recognized in the Balance sheet

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Present Value of Defined Benefit Obligation	46,50,789	35,97,357	3,15,847	3,00,281
Net Asset / (Liability) recognized in the Balance Sheet	46,50,789	35,97,357	3,15,847	3,00,281

III. Change in Defined Benefit Obligation during the year.

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Present value of defined Benefit obligation as beginning of year	35,97,357	26,72,775	3,00,281	2,47,368
Current Service Cost	3,82,746	3,25,082	23,957	17,268
Interest Cost	2,87,000	1,86,582	37,038	36,374
Actuarial Losses(Gains)	4,22,628	4,53,473	52,235	75,834
Benefits paid	-38,942	-40,555	-97,664	-76,834
Present value of Defined Benefit obligation as the end of the year	46,50,789	35,97,357	3,15,847	3,00,281

IV. Actuarial Assumptions

Particulars	Current Year	Previous Year
Discount Rate	8%	7%
Salary escalation Rate	5%	5%

V. The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factor.

17. There are no separately reportable segments in terms of Accounting Standard AS-17.

18. Related Party Disclosure as per Accounting Standard AS-18 (As certified by the Management) is as follows:

A). List of Related Parties

1. Where Control Exist:

Hindustan Foils Ltd.
Agarwal Tracom Pvt. Ltd.
Bagla Polifilms Pvt. Ltd. (Formerly Known As Rani Sati Enterprises Pvt. Ltd.

2. Key Management Personnel:

Mr. Madhu Sudan Bagla – Mg. Director

3. Relative of Key Management Personnel

(With whom transactions taken place during the year)

Mrs. Anju Bagla

Mr. Dhruv Bagla (U/G M.S. Bagla)

4. Others

Shree Shree Iswar Satya Narayanjee & Other Trust
Mr. K.C. Dwivedi - Executive Director

B). Transactions with Related Parties:

Type of Related Party	Nature of Transaction	Volume of Transactions		Amount Payable / (Recoverable)	
		2009-10	2008-09	2009-10	2008-09
Where Control Exist	Loans & Advances Received	28,00,000	40,00,000	NIL	2,87,76,000
	Loans & Advances Given	27,95,851	69,460	NIL	NIL
	Rent Paid	1,32,000	1,56,000	NIL	NIL
	Sales	56,76,119	NIL	16,13,897	NIL
Key Management Personal	Managing Director's Remuneration	31,16,514	27,30,000	2,00,000	NIL
	Loans & Advances Received	55,72,000	97,70,000	14,51,579	84,95,596
	Interest Paid	7,31,092	4,59,698	NIL	NIL
	Hire Charges	NIL	2,50,000	NIL	NIL
Relative of Key Management Personal	Salary	2,70,000	2,40,000	24,197	NIL
	Loan Received	NIL	79,75,000	NIL	NIL
Others	Director's Remuneration	8,67,387	5,53,594	2,133	NIL
	Rent Paid	24,000	24,000	NIL	NIL

19 A. CAPACITY AND PRODUCTION

Class of Goods	Unit	Installed Capacity* (Per Annum)	Production
SELF ADHESIVE TAPES	SQM	62,000,000 (62,000,000)	44,605,956 (39,243,512)
BOPP FILM	MT	1,750 (1,750)	1,108.89 (993.48)

* Installed Capacity not verified by Auditor being a technical matter

B. STOCK AND TURNOVER

Class of Goods	Unit	Opening Stock		Closing Stock		Turnover	
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
FINISHED GOODS							
SELF ADHESIVE TAPES	SQM	1,004,388 (1,164,658)	8,431,881 (9,278,548)	1,202,072 (1,004,368)	9,912,280 (8,431,881)	44,408,271 (39,403,782)	447,751,631 (427,961,413)
BOPP FILM	MT	45.38 (20.06)	3,956,978 (1,906,137)	47.61 (45.48)	4,867,897 (3,956,978)	1,107.00 (968.06)	105,479,410 (97,772,583)
TRADED FINISHED GOODS POLYPOPHYNE Others	MT Nos.	-	-	51.25	3,944,098	54.00	5,109,666
			12,388,859 (11,184,685)		18,724,275 (12,388,859)	13040.00	558,518,051 (525,733,996)

C. WORK IN PROGRESS

		CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
OPENING STOCK					
SELF ADHESIVES TAPES	SQM	1,386,239	11,394,644	1,174,244	10,244,581
BOPP FILM	MT	9.78	236,304	5.84	402,864
			11,630,948		10,647,445
CLOSING STOCK					
SELF ADHESIVES TAPES		1,734,917	12,924,286	1,386,239	11,394,644
BOPP FILM		5.55	134,599	9.78	236,304
			13,058,885		11,630,948

D. RAW MATERIAL CONSUMED

		CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Bopp & other films	KGS	#1,232,204	125,570,882	1,044,546	110,474,770
Polypropylene Granules	MT	1,134,826	74,060,777	1,014,820	73,096,231
Adhesives & Chemicals	KGS/LITERS	2,095,553	128,636,299	1,884,330	123,711,497
Paper	Kgs.	3,821	791,781	1,105	297,130
			329,059,739		307,579,628

Including Interdivisional Transfer 1091.13 MT equivalent to 45141011 SQM (Previous year 945.93 MT equivalent to 40654435 SQM) valuing Rs. 1038.52 Lacs (Previous Year Rs.948.06 Lacs).



E VALUE OF IMPORTED RAW MATERIALS AND STORE & SPARE PARTS CONSUMED

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
RAW MATERIALS				
Imported	12.01	39,507,249	9.49	29,202,729
Indigenous	87.99	289,552,490	90.51	278,376,899
	100.00	329,059,739	100.00	307,579,628
STORE & SPARES & LOOSE TOOLS				
Imported	10.03	461,442	5.23	254,003
Indigenous	89.97	4,137,243	94.77	4,600,451
#DIV/0!	100.00	4,598,685	100.00	4,854,454

F CIF VALUE OF IMPORTS

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
Raw Materials		46,562,708		31,014,053
Capital Goods		—		1,036,800

G EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
Traveling Expenses		794681		1,011,279
Exhibition, Meeting & Conference		—		—
Others (Donation, Commission & Bank Charges)		313869		814,767

H EARNING IN FOREIGN CURRENCY

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(%)	Value (Rs.)	(%)	Value (Rs.)
FOB Value of Exports		53031384		52,761,954

20. Figures of previous year have been re-grouped/re-arranged/re-cast wherever considered necessary.



21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	Current Year Value (Rs.)	Previous year Value (Rs.)
A. REGISTRATION DETAILS		
Registration No.	55-31191	55-31191
State Code	55	55
Date of Balance Sheet	31/03/2010	31-03-2009
B. CAPITAL RAISED DURING THE YEAR		
Public Issue	—	—
Right Issue	—	—
Bonus Issue	—	—
Private Placement	—	—
C. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS		
Total Liabilities	218,162	244,472
Total Assets	218,162	244,473
SOURCES OF FUNDS		
Paid up Capital	51,163	51,163
Reserves And Surplus	33,354	23,760
Secured Loans	115,598	117,548
Unsecured Loans	1,686	39,225
APPLICATION OF FUNDS		
Net Fixed Assets	113,708	124,217
Investments	—	—
Net Current Assets	104,453	107,468
Deferred Tax Assets	(16,361)	(12,776)
Accumulated Losses	—	12,789
D. PERFORMANCE OF COMPANY		
Turnover (including Interdivisional Transfer)	528,089	487,409
Other Income	7,962	2,440
Total Income	536,051	489,848
Total Expenditure	503,382	454,504
Profit Before Tax	32,669	35,344
Profit after Tax	22,383	23,965
Earning per share (In Rs)	4.37	4.68
Dividend Rate(%)	NIL	NIL
E. Generic Names of three Principal Products/Services of Company (As per Monetary Terms)		
Product		
Self Adhesives Tapes		
BOPP Film		
Items Code	3919 10 00	3920 20 20

Signature to schedule A to U as per our report attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Kamal Kumar Gupta)

Partner

M. No.- 89190

Place : New Delhi

Date : 03.09.2010

(S.S.DUA)

Co.Secretary

(L.K.BAGLA)

Chairman

(M.S.BAGLA)

Mg. Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year (Rs.)	Previous Year (Rs.)
A		
Cash Flow From Operating Activities	22,960,230	35,344,722
Net Profit / (Loss) As per Profit & loss Account		
Adjustment For:		
Depreciation	23,879,256	13,056,052
Loss on Sales of Fixed Assets Sold / discarded (Net)	15,173	44,524
Interest Paid /Received Net	17,309,828	18,089,703
Provision for Gratuity & Leave	1,068,998	977,495
Operating Profit Before Working Capital Change	65,233,485	67,512,496
Adjustment For:		
Trade & Other Receivables	(343,914)	(8,918,799)
Inventories	(13,479,008)	(8,891,197)
Trade Payable	21,166,775	(9,744,971)
Cash Generated by Operating Activities	72,577,338	39,957,529
Less : Income Tax Payments	(2,494,533)	(4,908,878)
Less : Payment Fringe benefit Tax / Wealth Tax	77,421	(697,324)
Net Cash Generated by Operating Activities	70,220,226	34,351,327
B		
CASH FLOW FROM INVESTMENT ACTIVITIES	(13,391,332)	(9,184,649)
Purchases of Fixed Assets	5,000	179,999
Sales of Fixed Assets	(13,386,332)	(9,004,650)
Net Cash Flow from investment activities		
C		
CASH FLOW FROM FINANCING ACTIVITIES	(1,949,869)	(34,494,926)
Proceeds / (Repayment) from Secured Loans	(37,539,229)	28,270,717
Proceeds / (Repayment) from Unsecured Loans	(17,309,828)	(18,089,703)
Interest	(56,798,926)	(24,313,912)
Net cash used in Financing Activities	34,968	1,032,765
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	4,026,027	2,993,261
Cash & Cash equivalents opening Balance	4,026,027	4,026,027
Cash & Cash equivalents Closing Balance	4,060,995	4,026,027

For **SALARPURIA & PARTNERS**
Firm Registration No.-302113E
Chartered Accountants

(Kamal Kumar Gupta)
Partner
M. No.- 89190

(S.S.DUA)
Co.Secretary

(L.K.BAGLA)
Chairman

(M.S.BAGLA)
Mg. Director

Place : New Delhi
Date : 03.09.2010



HINDUSTAN ADHESIVES LIMITED

3402-A, G.T. Road, Shandara, Delhi - 110 095
22ND ANNUAL GENERAL MEETING
ATTENDANCE SLIP

DPID/Clien/D No.
Folio No.
No. of Shares held

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Thursday 30th September, 2010 at 10.00 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delhi-110035 and my adjournment thereof.

ALL PARTICULARS SHOULD CONFIRM WITH THAT OF COMPANY'S RECORD

Members
(1st Joint Holder)
(2nd Joint Holder)

Name (Sole Applicant)

Father's Name

Complete Address

Proxy's Name

Carry that I am registered shareholder / proxy for the registered shareholder of the company.

Member's/Proxy's Signature

Note:

- 1 Attendance slip which is not complete in all respect shall not be accepted
- 2 Attendance slip shall be produced at the registration counter for verification.
- 3 The Registration counter will remain open between 9.00 A.M to 10.00A.M
- 4 The members holding shared in Dematerialized (D Mat) Form are advised to bring with term their DPID and client ID Number

HINDUSTAN ADHESIVES LIMITED

3402-A, G.T. Road, Shandara, Delhi - 110 095



PROXY FORM

(To be filled in by the shareholders)

I/We.....

of..... being a

member of Hindustan Adhesives Limited, hereby appoint Mr..... of.....

as my/our proxy to attend and vote for me/us, on my/our behalf on the 22nd Annual General Meeting, of the company to be held on Thursday,

30th September, 2010 at 10.00 A.M. Prakash Place-13, Wazirpur Press Area, Wazirpur Delhi-110035 and at any adjournment thereof.

Signed this..... day of..... 2010

Signature of the Shareholders

Attn
Re. 1/-
Revenue
Stamps

Note : The proxy form duly completed may please be deposited at the Company's Registered Office at 3402-A, G.T. Road, Shandara Delhi-110 095, not less than 48 hours before the time fixed for holding the Meeting.